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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

**Date of Report (Date of earliest event reported): November 8, 2013**

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**ARMADA HOFFLER PROPERTIES, INC.**

(Exact name of registrant as specified in its charter)

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**Maryland**  
(State or other jurisdiction  
of incorporation)

**001-35908**  
(Commission  
File Number)

**46-1214914**  
(IRS Employer  
Identification No.)

**222 Central Park Avenue, Suite 2100**  
**Virginia Beach, Virginia**  
(Address of principal executive offices)

**23462**  
(Zip Code)

**Registrant's telephone number, including area code: (757) 366-4000**

**Not Applicable**  
(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 2.02. Results of Operations and Financial Condition.**

On November 8, 2013, Armada Hoffler Properties, Inc. (the "Company") issued a press release announcing its financial position as of September 30, 2013, results of operations for the three months ended September 30, 2013 and other related information. Also on November 8, 2013, the Company made available on its website at [www.armadahoffler.com](http://www.armadahoffler.com) certain supplemental information concerning the Company's financial results and operations for the three and nine months ended September 30, 2013. Copies of such press release and supplemental information are furnished as Exhibits 99.1 and 99.2, respectively, to this report on Form 8-K and are incorporated herein by reference.

The information included in this report on Form 8-K, including Exhibits 99.1 and 99.2 hereto, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any filing made by the Company under the Exchange Act or Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

**Item 7.01. Regulation FD Disclosure.**

The disclosure contained in Item 2.02 of this report on Form 8-K is incorporated herein by reference.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1*	Press Release, dated November 8, 2013, issued by Armada Hoffler Properties, Inc., providing its financial position as of September 30, 2013 and results of operations for the three months ended September 30, 2013.
99.2*	Armada Hoffler Properties, Inc. Supplemental Information for the three and nine months ended September 30, 2013.

\* Furnished herewith.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**ARMADA HOFFLER PROPERTIES, INC.**

Dated: November 8, 2013

By: /s/ MICHAEL P. O'HARA  
Michael P. O'Hara  
Chief Financial Officer and Treasurer

**EXHIBIT INDEX**

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\* Furnished herewith.



PRESS RELEASE

**ARMADA HOFFLER PROPERTIES REPORTS THIRD QUARTER 2013 RESULTS****Core FFO of \$6.6 Million, \$0.20 Per Diluted Share****Operating Property Portfolio at 93.3% Average Occupancy**

VIRGINIA BEACH, VA, November 8, 2013—Armada Hoffler Properties, Inc. (NYSE: AHH), a full service real estate company, which develops and owns high-quality office, retail and multifamily properties in key Mid-Atlantic markets, today announced its results for the quarter ended September 30, 2013.

**Highlights include:**

- Generated Core Funds From Operations (“Core FFO”) of \$6.6 million, or \$0.20 per diluted share.
- Average occupancy stable at 93.3% across the operating property portfolio.
- New and renewal leases executed during the quarter totaling approximately 42,000 square feet in the office and retail property portfolios.
- Development pipeline of six properties, consisting of approximately 376,000 square feet of office and retail property and 489 multifamily units. The 4525 Main Street development project in the Town Center of Virginia Beach is 45% pre-leased.
- \$81.5 million of new construction loans since the end of last quarter to fund the development pipeline.
- \$25.3 million of new construction contract work executed during the quarter; approximately \$59.5 million of total backlog at the end of the quarter.
- Credit facility capacity increased by \$55.0 million to \$155.0 million in October 2013.
- Admiral Joseph W. Prueher, USN (Ret.) unanimously elected to the Company’s board of directors, effective October 24, 2013.

“We are pleased with our performance this quarter and delighted with how well-positioned the Company is following our IPO in May,” commented Louis Haddad, Chief Executive Officer. “We are on track to accomplish what we set out to do this year, including maintaining a stable portfolio and executing on our identified development pipeline. I am extremely pleased with the attractive array of opportunities for the next generation pipeline. We are well-positioned to grow net operating income and create value for our stockholders into the future.”

**Financial Results**

Net income was \$1.3 million, or \$0.04 per share, for the three months ended September 30, 2013. Core FFO was \$6.6 million, or \$0.20 per diluted share, for the three months ended September 30, 2013. In addition to the Company's third quarter 2013 operating results, a reconciliation of Core FFO to GAAP net income can be found on page eight of this release.

**Operating Performance**

During the third quarter the Company executed one new office lease and five office lease renewals totaling approximately 17,000 square feet and six retail lease renewals totaling approximately 25,000 square feet. At the end of the third quarter, the Company's office, retail and multifamily property operating portfolios were 93.4%, 93.6% and 92.7% occupied, respectively.

**General Contracting Activity**

During the quarter, the Company executed approximately \$25.3 million of new construction contracts and generated approximately \$1.0 million of gross profit on its third party construction contracts. At the end of the third quarter, the Company had total backlog of approximately \$59.5 million.

**Balance Sheet and Financing Activity**

At the end of the third quarter, the Company had total outstanding debt of approximately \$247.4 million, including \$45.0 million outstanding on its revolving credit facility, as compared to approximately \$244.3 million of total debt outstanding as of June 30, 2013. In October 2013, the Company increased the total capacity on its revolving credit facility to \$155.0 million by adding six properties to the borrowing base collateral.

In July, the Company closed on a \$63.0 million loan to fund the construction of 4525 Main Street and Encore Apartments in the Town Center of Virginia Beach. In October, the Company closed on an \$18.5 million loan to fund development of the Whetstone Apartments in Durham, NC.

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**Dividend**

On August 13, 2013, the Company announced that its Board of Directors declared a cash dividend of \$0.16 per share on the Company's common stock for the third quarter of 2013. The dividend was paid on October 10, 2013.

**Supplemental Financial Information**

Further details regarding operating results, properties and leasing statistics can be found in the Company's supplemental financial package available at [www.ArmadaHoffler.com](http://www.ArmadaHoffler.com) under the Investor Relations section.

**Webcast and Conference Call**

The Company will host a webcast and conference call on Friday, November 8, 2013 at 8:30 a.m. Eastern Time to review third quarter ended September 30, 2013 results and discuss recent events. The live webcast will be available through the Investor Relations page of the Company's website, [www.ArmadaHoffler.com](http://www.ArmadaHoffler.com), or through [www.viavid.com](http://www.viavid.com). To participate in the call, please dial 877-407-3982 (domestic) or 201-493-6780 (international). A replay of the conference call will be available through December 8, 2013, by dialing 877-870-5176 (domestic) or 858-384-5517 (international) and entering the pass code 10000728.

**About Armada Hoffler Properties, Inc.**

Armada Hoffler Properties, Inc. is a full service real estate company with extensive experience developing, building, owning and managing high-quality, institutional-grade office, retail and multifamily properties in attractive markets throughout the Mid-Atlantic United States. The Company has elected to be taxed as a real estate investment trust (REIT) for U.S. federal income tax purposes.

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**Forward-Looking Statements**

Certain matters within this press release are discussed using forward-looking language as specified in the Private Securities Litigation Reform Act of 1995, and, as such, may involve known and unknown risks, uncertainties and other factors that may cause the actual results or performance to differ from those projected in the forward-looking statement. These forward-looking statements may include comments relating to the current and future performance of the Company's operating portfolio, the Company's identified & next generation development

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pipelines, the Company's construction and development business including backlog, and financing activities as well as comments on the Company's outlook. For a description of factors that may cause the Company's actual results or performance to differ from its forward-looking statements, please review the information under the heading "Risk Factors" included in the Company's final prospectus related to its IPO, which was filed with the Securities and Exchange Commission on May 9, 2013, and other documents filed by the Company with the Securities and Exchange Commission.

**Non-GAAP Financial Measures**

The Company calculates FFO in accordance with the standards established by the National Association of Real Estate Investment Trusts ("NAREIT"). NAREIT defines FFO as net income (loss) (calculated in accordance with GAAP), excluding gains (or losses) from sales of depreciable operating property, real estate related depreciation and amortization (excluding amortization of deferred financing costs) and after adjustments for unconsolidated partnerships and joint ventures.

FFO is a supplemental non-GAAP financial measure. The Company uses FFO as a supplemental performance measure because it believes that FFO is beneficial to investors as a starting point in measuring the Company's operational performance. Specifically, in excluding real estate related depreciation and amortization and gains and losses from property dispositions, which do not relate to or are not indicative of operating performance, FFO provides a performance measure that, when compared year over year, captures trends in occupancy rates, rental rates and operating costs. We also believe that, as a widely recognized measure of the performance of REITs, FFO will be used by investors as a basis to compare the Company's operating performance with that of other REITs.

However, because FFO excludes depreciation and amortization and captures neither the changes in the value of the Company's properties that result from use or market conditions nor the level of capital expenditures and leasing commissions necessary to maintain the operating performance of the Company's properties, all of which have real economic effects and could materially impact the Company's results from operations, the utility of FFO as a measure of the Company's performance is limited. In addition, other equity REITs may not calculate FFO in accordance with the NAREIT definition as the Company does, and, accordingly, the Company's FFO may not be comparable to such other REITs' FFO. Accordingly, FFO should be considered only as a supplement to net income as a measure of the Company's performance.

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Management also believes that the computation of FFO in accordance with NAREIT's definition includes certain items that are not indicative of the results provided by the Company's operating portfolio and affect the comparability of the Company's period-over-period performance. Accordingly, the Company further adjusts FFO to arrive at Core FFO, which eliminates certain of these items, including, but not limited to, gains and losses on the extinguishment of debt and non-cash stock compensation expense.

For reference, as an aid in understanding the Company's computation of FFO and Core FFO, a reconciliation of FFO and Core FFO to net income calculated in accordance with GAAP has been included on page eight of this release.

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**ARMADA HOFFLER PROPERTIES, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEET**  
(dollars in thousands)  
(Unaudited)

	<u>September 30,</u> <u>2013</u>
<b>Assets</b>	
Real estate investments:	
Income producing property	\$ 404,742
Held for development	7,081
Construction in progress	29,091
Accumulated depreciation	<u>(101,920)</u>
Net real estate investments	338,994
Cash and cash equivalents	9,775
Restricted cash	2,966
Accounts receivable, net	17,846
Construction receivables, including retentions	12,619
Construction contract costs and estimated earnings in excess of billings	1,452
Other assets	23,199
<b>Total Assets</b>	<b><u>\$ 406,851</u></b>
<b>Liabilities and Equity</b>	
Secured debt	\$ 247,356
Accounts payable and accrued liabilities	6,970
Construction payables, including retentions	26,162
Billings in excess of construction contract costs and estimated earnings	2,270
Other liabilities	<u>16,142</u>
<b>Total Liabilities</b>	298,900
<b>Equity</b>	
Common stock	192
Additional paid-in capital	1,010
Distributions in excess of earnings	(46,195)
Noncontrolling interests in operating partnership	<u>152,944</u>
<b>Total Equity</b>	107,951
<b>Total Liabilities and Equity</b>	<b><u>\$ 406,851</u></b>

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**ARMADA HOFFLER PROPERTIES, INC.**  
**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**(dollars in thousands, except per share)**  
**(Unaudited)**

	<b>Three months ended September 30, 2013</b>
<b>Revenues</b>	
Rental revenues	\$ 14,899
General contracting and real estate services revenues	21,896
<b>Total revenues</b>	<b>36,795</b>
<b>Expenses</b>	
Rental expenses	3,840
Real estate taxes	1,317
General contracting and real estate services expenses	20,907
Depreciation and amortization	3,933
General and administrative expenses	1,638
<b>Total expenses</b>	<b>31,635</b>
<b>Operating income</b>	<b>5,160</b>
Interest expense	(2,598)
Loss on extinguishment of debt	(1,127)
Other expense	(109)
Income before taxes	1,326
Income tax provision	(74)
<b>Net income</b>	<b>\$ 1,252</b>
Per Share:	
Basic and Diluted	\$ 0.04
Weighted Average Common Shares and Units:	
Basic and Diluted	32,223

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**ARMADA HOFFLER PROPERTIES, INC.**  
**RECONCILIATION OF NET INCOME TO CORE FUNDS FROM OPERATIONS**  
**(dollars in thousands, except per share)**  
**(Unaudited)**

	<b>Three months ended September 30, 2013</b>
<b>Net Income</b>	<b>\$ 1,252</b>
Funds From Operations Adjustments:	
Depreciation and amortization	3,933
<b>Funds From Operations</b>	<b>5,185</b>
Core FFO Adjustments:	
Loss on extinguishment of debt	1,127
Non-cash stock compensation	242
<b>Core Funds From Operations</b>	<b>\$ 6,554</b>
<b>Core Funds From Operations per diluted share</b>	<b>\$ 0.20</b>
<b>Common Shares and Units Outstanding</b>	<b>32,223</b>

**Contact:**  
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Vice President of Investor Relations  
Email: [JTrudell@ArmadaHoffler.com](mailto:JTrudell@ArmadaHoffler.com)  
Phone: (757) 366-6692

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**ARMADA HOFFLER**  
P R O P E R T I E S



**Armada Hoffer Properties, Inc.**

**Third Quarter 2013 Supplemental Information**

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# Forward Looking Statement

This Supplemental Information should be read in conjunction with our Quarterly Report on Form 10-Q for the quarter ended September 30, 2013 (the "10-Q"), the consolidated unaudited financial statements and notes thereto appearing in the 10-Q and our press release, dated November 8, 2013, which has been furnished as Exhibit 99.1 to our Form 8-K filed on November 8, 2013. The Company makes statements in this Supplemental Information that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (set forth in Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act")). In particular, statements pertaining to our capital resources, portfolio performance and results of operations contain forward-looking statements. Likewise, all of our statements regarding anticipated growth in our funds from operations, core funds from operations, adjusted funds from operations, funds available for distribution and net operating income are forward-looking statements. You can identify forward-looking statements by the use of forward-looking terminology such as "believes," "expects," "may," "will," "should," "seeks," "approximately," "intends," "plans," "estimates" or "anticipates" or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. You can also identify forward-looking statements by discussions of strategy, plans or intentions.

Forward-looking statements involve numerous risks and uncertainties and you should not rely on them as predictions of future events. Forward-looking statements depend on assumptions, data or methods which may be incorrect or imprecise and the Company may not be able to realize them. The Company does not guarantee that the transactions and events described will happen as described (or that they will happen at all). For further discussion of risk factors and other events that could impact our future results, please refer to our Registration Statement on Form S-11, initially filed with the Securities and Exchange Commission (the "SEC") on March 26, 2013, as subsequently amended, our Quarterly Report on Form 10-Q for the quarter ended September 30, 2013 and the documents subsequently filed by us from time to time with the SEC.

# Corporate Profile

## Corporate Information

**Armada Hoffler Properties, Inc. (NYSE: AHH)** is a full-service real estate investment trust (REIT) and property company that develops, builds, owns and manages institutional grade office, retail and multifamily properties in the Mid-Atlantic U.S. The Company also provides general construction and development services to third-party clients throughout the Mid-Atlantic and Southeastern regions of the U.S. Armada Hoffler Properties was founded in 1979 and is headquartered in Virginia Beach, VA.

## Management & Board

### Board of Directors

<b>Daniel A. Hoffler</b>	Chairman of the Board
<b>A. Russell Kirk</b>	Vice Chairman of the Board
<b>Louis S. Haddad</b>	Director
<b>John W. Snow</b>	Lead Director
<b>George F. Allen</b>	Director
<b>James A. Carroll</b>	Director
<b>James C. Cherry</b>	Director
<b>Admiral Joseph W. Prueher</b>	Director

### Corporate Officers

<b>Louis S. Haddad</b>	President and Chief Executive Officer
<b>Anthony P. Nero</b>	President of Development
<b>Shelly R. Hampton</b>	President of Asset Management
<b>Eric E. Apperson</b>	President of Construction
<b>Michael P. O'Hara</b>	Chief Financial Officer
<b>Eric L. Smith</b>	Vice President of Operations and Secretary

### Analyst Coverage

Janney, Montgomery, & Scott LLC Michael Gorman (215) 665-6224 <a href="mailto:mgorman@janney.com">mgorman@janney.com</a>	Raymond James & Associates Richard Mulligan (727) 567-2619 <a href="mailto:ri.mulligan@raymondjames.com">ri.mulligan@raymondjames.com</a>	Robert W. Baird & Co. David Rodgers (216) 737-7341 <a href="mailto:drodgers@rwbaird.com">drodgers@rwbaird.com</a>	Stifel, Nicolaus & Company, Inc. John Guinee (443) 224-1307 <a href="mailto:jwguinee@stifel.com">jwguinee@stifel.com</a>	Wunderlich Securities Craig Kucera (540) 277-3366 <a href="mailto:ckucera@wundernet.com">ckucera@wundernet.com</a>
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### Investor Relations Contact

Julie Loftus Trudell  
Vice President of Investor Relations  
(757) 366-6692  
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# THIRD QUARTER RESULTS AND FINANCIAL SUMMARY

# Third Quarter 2013 Highlights

- Generated Core Funds From Operations (“Core FFO”) of \$6.6 million, or \$0.20 per diluted share.
- Average occupancy stable at 93.3% across the operating property portfolio.
- New and renewal leases executed during the quarter totaling approximately 42,000 square feet in the office and retail property portfolios.
- Development pipeline of six properties, consisting of approximately 376,000 square feet of office and retail property and 489 multifamily units. The 4525 Main Street development project in the Town Center of Virginia Beach is 45% pre-leased.
- \$81.5 million of new construction loans since the end of last quarter to fund the development pipeline.
- \$25.3 million of new construction contract work executed during the quarter; approximately \$59.5 million of total backlog at the end of the quarter.
- Credit facility capacity increased by \$55.0 million to \$155.0 million in October 2013.
- Admiral Joseph W. Prueher, USN (Ret.) unanimously elected to the Company's board of directors, effective October 24, 2013.

# Summary Information

\$ in thousands, except per share

## Market Capitalization

## Key Financials

	9/30/2013	
	% of Total Equity	Total Market Capitalization
<b>Market Data</b>		
Total Common Shares Outstanding	59%	19,163,500
Operating Partnership ("OP") Units Outstanding	41%	13,059,365
Common shares and OP units outstanding	100%	32,222,865
Market price per common share		\$9.91
Equity market capitalization		319,329
Total debt		247,356
Total market capitalization		\$566,685
Less: cash		(12,741)
Total enterprise value		\$553,944

	Three months ended
	9/30/2013
<b>Financial Information:</b>	
Rental revenues	\$14,899
General contracting and real estate services revenues	21,896
Rental properties Net Operating Income (NOI)	9,742
General contracting and real estate services Gross Profit	989
Net income	1,252
Funds From Operations (FFO)	5,185
Core FFO	6,554
<b>Core FFO per share</b>	<b>\$0.20</b>

## Operating Metrics

## Debt Metrics

	9/30/2013
	<b>Rentable square feet or number of units:</b>
Office	954,594
Retail	1,093,319
Multifamily	626
<b>Occupancy:</b>	
Office <sup>(1)</sup>	93.4%
Retail <sup>(1)</sup>	93.6%
Multifamily <sup>(2)</sup>	92.7%
Weighted Average <sup>(3)</sup>	93.3%

	Three months ended
	9/30/2013
<b>Key Metrics</b>	
Core debt/enterprise value	44.7%
Fixed charge coverage ratio	
Core EBITDA	\$9,099
Interest	2,598
Principal	757
Total Fixed Charges	3,355
Fixed charge coverage ratio	2.71x
<b>Core Debt/Core EBITDA</b>	<b>6.8x</b>

(1) Office and retail occupancy based on occupied square feet as a % of respective total

(2) Multifamily occupancy based on weighted average of total units

(3) Total occupancy weighted by annualized base rent

# Summary Balance Sheet

\$ in thousands

	As of	
	9/30/2013 (Unaudited)	12/31/2012
<b>Assets</b>		
Real estate, at cost		
Income producing property	\$404,742	\$350,814
Held for development	7,081	3,926
Construction in progress	29,091	-
	440,914	354,740
Accumulated depreciation	(101,920)	(92,454)
Net real estate investments	338,994	262,286
Cash and cash equivalents	9,775	9,400
Restricted cash	2,966	3,725
Accounts receivable, net	17,846	17,423
Construction receivables, including retentions	12,619	10,490
Construction contract costs and estimated earnings in excess of billing	1,452	1,206
Due from affiliates	-	5,719
Other assets	23,199	21,564
<b>Total Assets</b>	<b>\$406,851</b>	<b>\$331,813</b>
<b>Liabilities and Equity</b>		
Indebtedness:		
Secured debt	\$247,356	\$334,438
Participating note	-	643
Accounts payable and accrued liabilities	6,970	2,478
Construction payables, including retentions	26,162	17,369
Billings in excess of construction contract costs and estimated earnings	2,270	4,236
Due to affiliates	-	3,597
Due to related parties	406	-
Other liabilities	15,736	10,393
<b>Total Liabilities</b>	<b>\$298,900</b>	<b>\$373,154</b>
Stockholders' equity:		
Common stock, \$0.01 par value, 500,000,000 shares authorized, 19,163,500 shares issued and outstanding as of September 30, 2013	192	-
Additional paid-in capital	1,010	-
Distributions in excess of earnings	(46,195)	-
Predecessor deficit	-	(41,341)
Total stockholders' and predecessor deficit	(44,993)	(41,341)
Non-controlling Interests	152,944	-
<b>Total Equity</b>	<b>107,951</b>	<b>(41,341)</b>
<b>Total Liabilities and Equity</b>	<b>\$406,851</b>	<b>\$331,813</b>

# Summary Income Statement

ARMADA HOFFLER  
PROPERTIES

\$ in thousands

	Three months ended		Nine months ended	
	9/30/2013	9/30/2012	9/30/2013	9/30/2012
<b>Revenues:</b>	(Unaudited)			
Rental revenues	\$14,899	\$13,318	\$42,528	\$40,314
General contracting and real estate services revenues	21,896	13,631	63,143	40,655
<b>Total Revenues</b>	<b>\$36,795</b>	<b>\$26,949</b>	<b>\$105,671</b>	<b>\$80,969</b>
<b>Expenses:</b>				
Rental expenses	\$3,840	\$3,637	\$10,468	\$9,445
Real estate taxes	1,317	1,200	3,777	3,592
General contracting and real estate services expenses	20,907	12,707	60,868	38,200
Depreciation and amortization	3,933	2,718	11,112	9,297
General and administrative expenses	1,638	904	5,212	2,692
Impairment charges	-	-	533	-
<b>Total Expenses</b>	<b>31,635</b>	<b>21,166</b>	<b>91,970</b>	<b>63,226</b>
<b>Operating Income</b>	<b>\$5,160</b>	<b>\$5,783</b>	<b>\$13,701</b>	<b>\$17,743</b>
Interest expense	(2,598)	(4,174)	(9,802)	(12,518)
Loss on extinguishment of debt	(1,127)	-	(2,252)	-
Gain on acquisition	-	-	9,460	-
Other income (expense)	(109)	146	343	533
Income from continuing operations, before tax	1,326	1,755	11,450	5,758
Income tax (provision) benefit	(74)	-	137	-
Income from continuing operations	1,252	1,755	11,587	5,758
Discontinued operations:				
Loss from discontinued operations	-	-	-	(35)
Loss on sale of real estate	-	-	-	25
Results from discontinued operations	-	-	-	(10)
<b>Net income</b>	<b>\$1,252</b>	<b>\$1,755</b>	<b>\$11,587</b>	<b>\$5,748</b>

# Core FFO & Core AFFO

\$ in thousands, except per share

	<u>Three months ended</u> <u>9/30/2013</u> (Unaudited)
Net income	\$1,252
Depreciation and amortization	3,933
<b>FFO</b>	<b>5,185</b>
<b>Core FFO</b>	
<u>Adjustments</u>	
Loss on extinguishment of debt	1,127
Non-cash stock compensation	242
Impairment charges	-
Acquisition costs	-
Unstabilized development pipeline adjustments	-
<b>Core FFO</b>	<b>\$6,554</b>
Core FFO per share	\$0.20
<b>Core AFFO</b>	
<u>Adjustments</u>	
Reversal of unstabilized development pipeline adjustments from above	-
Tenant improvements, leasing commissions <sup>(1)</sup>	(505)
Property related Capital expenditures <sup>(2)</sup>	(170)
Amortization of deferred financing fees	145
GAAP Adjustments	
Net effect of straight-line rents	(125)
Amortization of lease incentives and net above (below) market rents	154
Derivative (income) losses	115
Government development grants not included in FFO	190
<b>Core AFFO</b>	<b>\$6,358</b>
Core AFFO per share	\$0.20
Total Common Shares Outstanding	19,164
Operating Partnership ("OP") Units Outstanding	13,059
Common shares and OP units outstanding	32,223

(1) Excludes tenant improvements and leasing commissions on first generation rental space and funded by previous owners

(2) Excludes one time, non-recurring capital expenditures

# Summary of Outstanding Debt

\$ in thousands

Debt	Amount Outstanding	Interest Rate <sup>(1)</sup>	Effective Rate as of September 30, 2013	Maturity Date	Balance at Maturity
<b>Virginia Beach Town Center</b>					
249 Central Park Retail	\$15,899	5.99%		September 8, 2016	\$15,084
South Retail	7,014	5.99%		September 8, 2016	6,655
Studio 56 Retail	2,708	3.75%		May 7, 2015	2,592
Commerce Street Retail	6,754	LIBOR+3.00%	3.18%	August 18, 2014	6,694
Fountain Plaza Retail	7,949	5.99%		September 8, 2016	7,542
Dick's at Town Center	8,334	LIBOR+2.75%	2.93%	October 31, 2017	7,889
The Cosmopolitan	47,867	3.75%		July 1, 2051	-
<b>Diversified Portfolio</b>					
Oyster Point	6,513	5.41%		December 1, 2015	6,089
Broad Creek Shopping Center					-
Note 1	4,516	LIBOR +3.00%	3.18%	November 29, 2014	4,454
Note 2	8,290	LIBOR+2.75%	2.93%	December 7, 2016	7,947
Note 3	3,471	LIBOR+2.75%	2.93%	December 7, 2016	3,327
Hanbury Village					-
Note 1	21,506	6.67%		October 11, 2017	20,499
Note 2	4,296	LIBOR+2.75%	2.93%	February 28, 2015	4,226
Harrisonburg Regal	3,887	6.06%		June 8, 2017	3,165
North Point Center					-
Note 1	10,359	6.45%		February 5, 2019	9,333
Note 2	2,858	7.25%		September 15, 2015	1,344
Note 4	1,036	5.59%		December 1, 2014	1,007
Note 5	710	LIBOR+2.00%	3.57% <sup>(2)</sup>	February 1, 2017	641
Tyre Neck Harris Teeter	2,650	LIBOR+2.75%	2.93%	June 10, 2014	2,650
Bermuda Crossroads	10,773 <sup>(4)</sup>	6.01%		January 1, 2014	10,710
Smith's Landing	24,870 <sup>(4)</sup>	LIBOR+2.15%	2.33%	January 31, 2014	24,770
	202,260				146,618
Credit Facility	45,000 <sup>(5)</sup>	LIBOR + 1.60% - 2.20%	1.93% <sup>(5)</sup>	May 13, 2016	45,000
Total including Credit Facility	\$247,260				\$191,618
<b>Notes Payable - Development Pipeline</b>					
4525 Main Street	-	LIBOR+1.95%	2.13% <sup>(3)</sup>	January 30, 2017	-
Encore Apartments	-	LIBOR+1.95%	2.13% <sup>(3)</sup>	January 30, 2017	-
Total Notes Payable - Development Pipeline	-				-
Unamortized fair value adjustments	96				-
<b>Total Notes Payable</b>	<b>\$247,356</b>				<b>\$191,618</b>

(1) LIBOR rate is determined by individual lenders.

(2) Subject to an interest rate swap lock.

(3) Subject to LIBOR interest rate cap of 3.5%.

(4) Principal balance excluding any fair value adjustment that was recognized upon acquisition.

(5) Subject to a \$40 million LIBOR interest rate cap of 1.50%.

Weighted Average Fixed Interest Rate	4.5%
Weighted Average Variable Interest Rate	2.7%
Variable Interest Rate as a % of Total (net of interest rate caps)	25.8%
Weighted Average Maturity (years)	9.3

	3Q 2013	YTD 2013
Capitalized Interest	\$140	\$254

# Debt to EBITDA

\$ in thousands

	Three months ended 9/30/13 (Unaudited)
Net Income	\$1,252
Excluding:	
Interest Expense	2,598
Income taxes	74
Depreciation and amortization	3,933
<b>EBITDA</b>	<b>7,857</b>
Additional Adjustments:	
Non-recurring or extraordinary gains (losses)	-
Early extinguishment of debt	1,127
Derivative (income) losses	115
Acquisition costs	-
Development Pipeline	-
Total Other Adjustments	1,242
<b>Core EBITDA</b>	<b>\$9,099</b>
Annualized Core EBITDA	\$36,396

	9/30/2013 (Unaudited)
Total Debt	\$247,356
Excluding:	
Development Pipeline Construction Loans	-
<b>Core Debt</b>	<b>\$247,356</b>
<b>Core debt/Core EBITDA</b>	<b>6.8x</b>

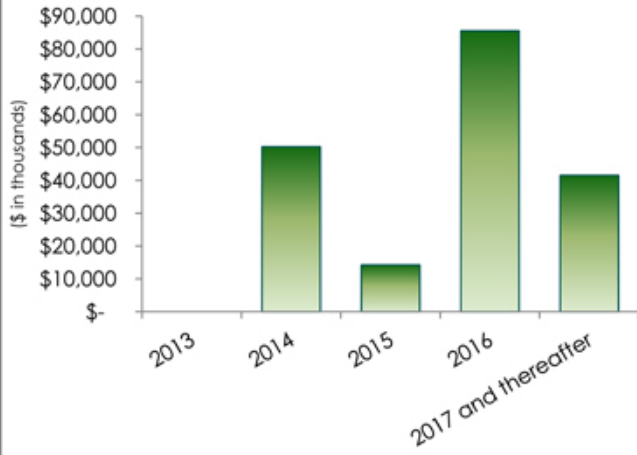
**Ratio Would Be ~6.0x When Excluding LOC Draws for Development Pipeline**



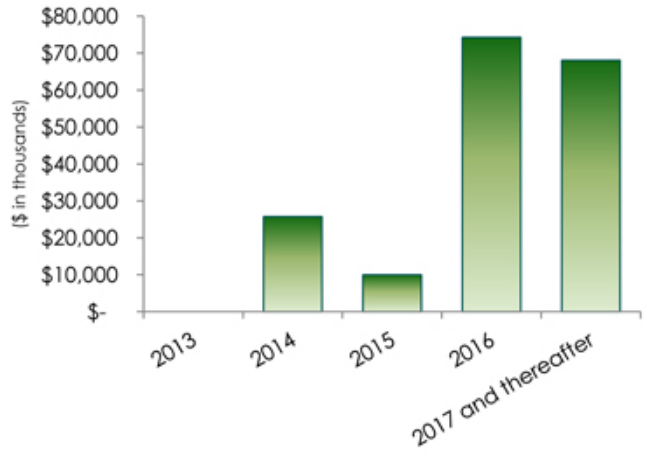
# Debt Maturity

\$ in thousands

### Debt Maturity as of 9/30/13



### Debt Maturity as of 11/8/13



# PORTFOLIO SUMMARY & BUSINESS SEGMENTATION OVERVIEW

# Business Segmentation Overview

	Definition	Characteristics	Valuation
<b>Stabilized Portfolio</b>	<ul style="list-style-type: none"> <li>Includes stabilized office, retail, and multifamily real estate (defined as the earlier of 80% occupancy or the 13<sup>th</sup> quarter after CO)</li> </ul>	<ul style="list-style-type: none"> <li>Consistent cash flow</li> <li>High occupancy</li> <li>Stable same store metrics</li> </ul>	<ul style="list-style-type: none"> <li>Traditional real estate valuation, NAV/Cap Rates</li> </ul>
<b>Development Pipeline</b>	<ul style="list-style-type: none"> <li>Real estate assets in development or ramping towards stabilization</li> </ul>	<ul style="list-style-type: none"> <li>Value creation</li> <li>Asset base growth</li> </ul>	<ul style="list-style-type: none"> <li>Equity Creation</li> </ul>
<b>Construction Business</b>	<ul style="list-style-type: none"> <li>3<sup>rd</sup> party construction business</li> </ul>	<ul style="list-style-type: none"> <li>Stable earnings and value creation</li> <li>Reduces risk in selecting/executing development opportunities</li> <li>Brand recognition in new markets</li> </ul>	<ul style="list-style-type: none"> <li>Multiples analysis</li> </ul>

# Stabilized Portfolio Summary

As of 9/30/2013

Property	Location	Year Built	Net Rentable Square Feet <sup>(1)</sup>	% Leased <sup>(2)</sup>	Annualized Base Rent <sup>(3)</sup>	Annualized Base Rent per Leased Sq. Ft. <sup>(3)</sup>	Average Net Effective Annual Base Rent per Leased Sq. Ft. <sup>(4)</sup>
<b>Office Properties</b>							
Armada Hoffer Tower <sup>(5)</sup>	Virginia Beach, VA	2002	328,572	95.9%	\$8,655,103	\$27.48	\$26.39
One Columbus	Virginia Beach, VA	1984	129,424	95.6%	2,851,513	23.04	23.22
Two Columbus	Virginia Beach, VA	2009	109,215	82.3%	2,232,487	24.85	25.23
Virginia Natural Gas <sup>(6)</sup>	Virginia Beach, VA	2010	31,000	100.0%	568,230	18.33	20.17
Richmond Tower	Richmond, VA	2010	206,969	98.0%	7,274,896	35.87	41.83
Oyster Point	Newport News, VA	1989	100,214	79.8%	1,737,265	21.72	21.23
Sentara Williamsburg <sup>(7)</sup>	Williamsburg, VA	2008	49,200	100.0%	1,006,140	20.45	20.50
<b>Subtotal / Weighted Average Office Portfolio<sup>(7)</sup></b>			<b>954,594</b>	<b>93.4%</b>	<b>\$24,325,635</b>	<b>\$27.28</b>	<b>\$28.34</b>
<b>Retail Properties Not Subject to Ground Lease</b>							
Bermuda Crossroads	Chester, VA	2001	111,566	95.4%	1,425,112	13.39	15.54
Broad Creek Shopping Center	Norfolk, VA	1997-2001	227,750	96.8%	2,923,152	13.26	12.90
Courthouse 7-11	Virginia Beach, VA	2011	3,177	100.0%	125,000	39.35	43.81
Gainsborough Square	Chesapeake, VA	1999	88,862	93.0%	1,293,439	15.65	15.36
Hanbury Village	Chesapeake, VA	2006-2009	61,049	86.4%	1,309,963	24.85	24.44
North Point Center	Durham, NC	1998-2009	215,689	93.1%	2,365,181	11.77	11.35
Parkway Marketplace	Virginia Beach, VA	1998	37,804	100.0%	760,328	20.11	20.92
Harrisonburg Regal	Harrisonburg, VA	1999	49,000	100.0%	683,550	13.95	13.95
Dick's at Town Center	Virginia Beach, VA	2002	100,804	83.3%	798,000	9.50	7.79
249 Central Park Retail	Virginia Beach, VA <sup>(1)</sup>	2004	91,171	96.2%	2,536,543	28.93	27.55
Studio 56 Retail	Virginia Beach, VA	2007	11,600	84.8%	371,200	37.75	36.92
Commerce Street Retail <sup>(9)</sup>	Virginia Beach, VA	2008	20,123	100.0%	792,313	39.37	39.67
Fountain Plaza Retail	Virginia Beach, VA	2004	35,961	100.0%	962,056	26.75	25.68
South Retail <sup>(24)</sup>	Virginia Beach, VA	2002	38,763	83.6%	621,240	19.17	19.03
<b>Subtotal / Weighted Avg Retail Portfolio not Subject to Ground Leases<sup>(10)</sup></b>			<b>1,093,319</b>	<b>93.6%</b>	<b>\$16,967,075</b>	<b>\$16.58</b>	<b>\$16.34</b>
<b>Retail Properties Subject to Ground Lease</b>							
Bermuda Crossroads <sup>(11)</sup>	Chester, VA	2001	<sup>(13)</sup>	100.0%	163,350		
Broad Creek Shopping Center <sup>(12)</sup>	Norfolk, VA	1997-2001	<sup>(14)</sup>	100.0%	572,291		
Hanbury Village <sup>(15)</sup>	Chesapeake, VA	2006-2009	<sup>(15)</sup>	100.0%	1,067,598		
North Point Center <sup>(16)</sup>	Durham, NC	1996-2009	<sup>(16)</sup>	100.0%	1,055,125		
Tyre Neck Harris Teeter <sup>(17)</sup>	Chesapeake, VA	2011	<sup>(17)</sup>	100.0%	508,134		
<b>Subtotal / Weighted Avg Retail Portfolio Subject to Ground Leases</b>				<b>100.0%</b>	<b>\$3,366,499</b>		
<b>Total / Weighted Avg Retail Portfolio</b>			<b>1,093,319</b> <sup>(18)</sup>	<b>93.6%</b>	<b>\$16,967,075</b>	<b>\$16.58</b>	<b>\$16.34</b>
<b>Total / Weighted Average Retail and Office Portfolio</b>			<b>2,047,913</b>	<b>93.5%</b>	<b>\$41,292,710</b>	<b>\$21.57</b>	<b>\$21.93</b>
<b>Multifamily</b>							
Property	Location	Year Built	Units <sup>(19)</sup>	% Leased <sup>(2)</sup>	Annualized Base Rent <sup>(20)</sup>	Average Monthly Base Rent per Leased Unit <sup>(21)</sup>	
Smith's Landing <sup>(22)</sup>	Blacksburg, VA	2009	284	100.0%	\$3,427,980	\$1,005.86	
The Cosmopolitan	Virginia Beach, VA	2006	342	86.5%	6,442,907	1,550.33	
<b>Total / Weighted Avg Multifamily Portfolio</b>			<b>626</b>	<b>92.7%</b>	<b>\$9,870,887</b>	<b>\$1,283.73</b>	

# Stabilized Portfolio Summary Footnotes

- 1) The net rentable square footage for each of our office properties is the sum of (a) the square footages of existing leases, plus (b) for available space, management's estimate of net rentable square footage based, in part, on past leases. The net rentable square footage included in office leases is generally determined consistently with the Building Owners and Managers Association, or BOMA, 1996 measurement guidelines. The net rentable square footage for each of our retail properties is the sum of (a) the square footages of existing leases, plus (b) for available space, the field verified square footage.
- 2) Percentage leased for each of our office and retail properties is calculated as (a) square footage under commenced leases as of September 30, 2013, divided by (b) net rentable square feet, expressed as a percentage. Percentage leased for our multifamily properties is calculated as (a) total units rented as of September 30, 2013, divided by (b) total units available, expressed as a percentage.
- 3) For the properties in our office and retail portfolios, annualized base rent is calculated by multiplying (a) base rental payments (defined as cash base rents (before abatements) excluding tenant reimbursements for expenses paid by the landlord) for the month ended September 30, 2013, by (b) 12. Annualized base rent per leased square foot is calculated by dividing (a) annualized base rent, by (b) square footage under commenced leases as of September 30, 2013. In the case of triple net or modified gross leases, annualized base rent does not include tenant reimbursements for real estate taxes, insurance, common area or other operating expenses.
- 4) Average net effective annual base rent per leased square foot represents (a) the contractual base rent for leases in place as of September 30, 2013, calculated on a straight-line basis to amortize free rent periods and abatements, but without regard to tenant improvement allowances and leasing commissions, divided by (b) square footage under commenced leases as of September 30, 2013.
- 5) As of September 30, 2013, the Company occupied 16,151 square feet at this property at an annualized base rent of \$446,172, or \$29.40 per leased square foot, which amounts are reflected in the % leased, annualized base rent and annualized base rent per square foot columns in the table above. The rent paid by us is eliminated from our revenues in consolidation. In addition, effective March 1, 2013, the Company sublease approximately 5,000 square feet of space from a tenant at this property.
- 6) This property is subject to a triple net lease pursuant to which the tenant pays operating expenses, insurance and real estate taxes.
- 7) Includes square footage and annualized base rent pursuant to leases for space occupied by us.
- 8) As of September, 2013, the Company occupied 8,995 square feet at this property at an annualized base rent of \$278,935, or \$31.01 per leased square foot, which amounts are reflected in the % leased, annualized base rent and annualized base rent per square foot columns in the table above. The rent paid by us is eliminated from our revenues in consolidation.
- 9) Includes \$31,200 of annualized base rent pursuant to a rooftop lease.
- 10) Reflects square footage and annualized base rent pursuant to leases for space occupied by us.
- 11) For this ground lease, the Company own the land and the tenant owns the improvements thereto. The Company will succeed to the ownership of the improvements to the land upon the termination of the ground lease.
- 12) The Company lease the land underlying this property from the owner of the land pursuant to a ground lease. The Company re-lease the land to our tenant under a separate ground lease pursuant to which our tenant owns the improvements on the land.
- 13) Tenants collectively lease approximately 139,356 square feet of land from us pursuant to ground leases.
- 14) Tenants collectively lease approximately 299,170 square feet of land from us pursuant to ground leases.
- 15) Tenants collectively lease approximately 105,988 square feet of land from us pursuant to ground leases.
- 16) Tenants collectively lease approximately 1,443,985 square feet of land from us pursuant to ground leases.
- 17) Tenant leases approximately 200,073 square feet of land from us pursuant to a ground lease.
- 18) The total square footage of our retail portfolio excludes the square footage of land subject to ground leases.
- 19) Units represent the total number of apartment units available for rent at September 30, 2013.
- 20) For the properties in our multifamily portfolio, annualized base rent is calculated by multiplying (a) base rental payments for the month ended September 30, 2013 by (b) 12.
- 21) Average monthly base rent per leased unit represents the average monthly rent for all leased units for the month ended September 30, 2013.
- 22) The Company lease the land underlying this property from the owner of the land pursuant to a ground lease.
- 23) The annualized base rent for The Cosmopolitan includes \$936,143 of annualized rent from 15 retail leases at the property.
- 24) As of September, 2013, The Company occupied 2,908 square feet at this property at an annualized base rent of \$12,000, or \$4.13 per leased square foot, which amounts are reflected in the % leased, annualized base rent and annualized base rent per square foot columns in the table above. The rent paid by us and is eliminated from our revenues in consolidation.

# Identified Development Pipeline

\$ in thousands

Office/Retail	Location	Estimated Square Footage <sup>(1)</sup>	Estimated Cost <sup>(1)</sup>	Cost Incurred through 9/30/13	Schedule			AHH Ownership % <sup>(1)</sup>	Property Type	Principal Tenants	% Leased
					Start	Anchor Tenant Occupancy	Stabilized Operation				
4525 Main Street <sup>(2)</sup>	Virginia Beach, VA	234,000 <sup>(3)</sup>	\$50,000	\$17,851	1Q13	3Q14	3Q15	100%	Office	Clark Nexsen, Development Authority of Virginia Beach <sup>(3)</sup>	46%
Sandbridge Commons	Virginia Beach, VA	70,000	12,500	5,666	4Q13	2Q15	2Q16	85%	Retail	Harris Teeter	66%
Brooks Crossing	Newport News, VA	54,000	12,500	832	2Q14	3Q15	3Q15	65%	Office	Huntington Ingalls <sup>(4)</sup> , City of Newport News <sup>(4)</sup>	0% <sup>(4)</sup>
Greentree Shopping Center <sup>(5)</sup>	Chesapeake, VA	18,000	6,000	583	4Q13	1Q15	4Q15	100%	Retail	Wawa	40%
		<b>376,000</b>	<b>\$81,000</b>	<b>\$24,932</b>							

Multifamily	Location	Estimated Apartment Units <sup>(1)</sup>	Estimated Cost <sup>(1)</sup>	Cost Incurred through 9/30/13	Schedule			AHH Ownership %	
					Start	Initial Occupancy	Complete <sup>(1)</sup>		
Encore Apartments <sup>(2)</sup>	Virginia Beach, VA	286	\$33,500	\$5,831	1Q13	3Q14	4Q15	1Q16	100%
Whetstone Apartments	Durham, NC	203	27,500	4,893	3Q13	3Q14	3Q15	1Q16	100%
Liberty Apartments <sup>(6)</sup>	Newport News, VA	197	31,900	-	-	-	1Q14	3Q15	100%
		<b>686</b>	<b>\$92,900</b>	<b>\$10,724</b>					
		<b>Total</b>	<b>\$173,900</b>	<b>\$35,656</b>					

- (1) Represents estimates that may change as the development process proceeds  
(2) This property will be located within the Virginia Beach Town Center  
(3) Approximately 83,000 square feet is leased to Clark Nexsen, an architectural firm and approximately 23,000 square feet is leased to the Development Authority of Virginia Beach  
(4) The principal tenant leases have not been signed as of the date of this supplemental information  
(5) AHH has a contract to sell Wal-Mart a pad-ready site adjacent to Greentree Shopping Center  
(6) Purchase during 1Q 2014

# Construction Business Summary

\$ in thousands

	<u>Location</u>	<u>Total Contract Value</u>	<u>Work in Place as of 09/30/13</u>	<u>Backlog</u>	<u>Estimated Date of Completion</u>
<b>Projects Greater than \$5.0M</b>					
City of Suffolk Municipal Center	Suffolk, VA	\$24,436	\$6,972	\$17,464	2Q 2015
Hyatt Place Baltimore / Inner Harbor Hotel	Baltimore, MD	24,417	351	24,066	3Q 2014
Newport News Apprentice School of Shipbuilding <sup>(1)</sup>	Newport News, VA	22,933	17,871	5,062	4Q 2013
Liberty Apartments <sup>(1)</sup>	Newport News, VA	20,107	18,924	1,183	4Q 2013
Main Street Parking Garage <sup>(1)</sup>	Virginia Beach	17,756	9,103	8,653	3Q 2014
Biomedical Research Lab at Hampton University	Hampton, VA	10,432	10,003	429	4Q 2013
Newport News Shipbuilding Parking Garage <sup>(1)</sup>	Newport News, VA	7,940	7,393	547	4Q 2013
Total Projects Greater then \$5.0M		128,021	70,617	57,404	
<b>Projects Less than \$5.0M</b>					
		12,722	10,676	2,046	
<b>Total</b>		<u>\$140,743</u>	<u>\$81,293</u>	<u>\$59,450</u>	

<b>Gross Profit Summary</b>	<u>3Q 2013</u>	<u>Annualized</u>
	(Unaudited)	
Revenue	\$21,896	\$87,583
Expense	(20,907)	(83,627)
Gross Profit	\$989	\$3,956

(1) Related party contracts

(2) These contracts are materially complete

# OPERATING RESULTS & PROPERTY-TYPE SEGMENT ANALYSIS



# Same Store NOI by Segment

(Reconciliation to GAAP located in appendix pg. 44)

\$ in thousands

	Three months ended 9/30				Nine months ended 9/30			
	2013	2012	\$ Change	% Change	2013	2012	\$ Change	% Change
<b>Office<sup>(1)</sup></b>	(Unaudited)				(Unaudited)			
Revenue	\$6,364	\$6,194	\$170	3%	\$19,270	\$19,153	\$117	1%
Expenses	2,081	2,271	(190)	-8%	5,967	5,921	46	1%
Net Operating Income	4,283	3,923	360	9%	13,303	13,232	71	1%
<b>Retail<sup>(2)</sup></b>								
Revenue	5,162	5,297	(135)	-3%	14,867	15,345	(478)	-3%
Expenses	1,643	1,618	25	2%	4,695	4,520	175	4%
Net Operating Income	3,519	3,679	(160)	-4%	10,172	10,825	(653)	-6%
<b>Multi Family<sup>(3)</sup></b>								
Revenue	1,874	1,827	47	3%	5,684	5,577	107	2%
Expenses	868	946	(78)	-8%	2,558	2,453	105	4%
Net Operating Income	1,006	881	125	14%	3,126	3,124	2	0%
<b>Same Store Net Operating Income (NOI), GAAP basis</b>	<b>\$8,808</b>	<b>\$8,483</b>	<b>\$325</b>	<b>4%</b>	<b>\$26,601</b>	<b>\$27,181</b>	<b>(\$580)</b>	<b>-2%</b>
Net effect of straight-line rents	(73)	(306)	233	-76%	(425)	(1,103)	679	-62%
Amortization of lease incentives	179	185	(6)	-3%	582	549	32	6%
<b>Same store portfolio NOI, cash basis</b>	<b>\$8,915</b>	<b>\$8,362</b>	<b>\$553</b>	<b>7%</b>	<b>\$26,758</b>	<b>\$26,627</b>	<b>\$131</b>	<b>0%</b>
<b>Cash Basis:</b>								
Office	4,100	3,589	511	14%	12,546	12,058	488	4%
Retail	3,803	3,887	(85)	-2%	11,068	11,434	(367)	-3%
Multifamily	1,005	885	120	14%	3,142	3,134	8	0%
	<b>\$8,908</b>	<b>\$8,362</b>	<b>\$546</b>	<b>7%</b>	<b>\$26,756</b>	<b>\$26,627</b>	<b>\$129</b>	<b>0%</b>
<b>GAAP Basis:</b>								
Office	4,283	3,923	360	9%	13,303	13,232	71	1%
Retail	3,519	3,679	(160)	-4%	10,172	10,825	(653)	-6%
Multifamily	1,006	881	125	14%	3,126	3,124	2	0%
	<b>\$8,808</b>	<b>\$8,483</b>	<b>\$325</b>	<b>4%</b>	<b>\$26,601</b>	<b>\$27,181</b>	<b>(\$580)</b>	<b>-2%</b>

(1) No assets excluded

(2) Bermuda Crossroads and Tyre Neck Harris Teeter excluded

(3) Smith's Landing excluded

# Top 10 Tenants by Annual Base Rent

As of September 30, 2013

## Office Portfolio

Tenant	Number of Leases	Number of Properties	Property(ies)	Lease Expiration	Weighted Annualized Base Rent	% of Office Portfolio Annualized Base Rent	% of Total Portfolio Annualized Base Rent
Williams Mullen	3	2	Armada Hoffler Tower, Richmond Tower	3/19/2026	\$7,779,349	32.0%	14.3%
Troutman Sanders LLP	1	1	Armada Hoffler Tower	1/31/2015	1,026,938	4.2%	1.9%
Sentara Medical Group	1	1	Sentara Williamsburg	3/31/2023	1,006,140	4.1%	1.8%
Pender & Coward	2	1	Armada Hoffler Tower	1/31/2015	972,179	4.0%	1.8%
Cherry, Bekaert & Holland, LLP	3	3	Armada Hoffler Tower, Richmond Tower, Oyster Point	9/21/2022	932,547	3.8%	1.7%
GSA-USAF	1	1	Oyster Point	4/26/2017	870,047	3.6%	1.6%
The Art Institute	1	1	Two Columbus	12/31/2019	771,898	3.2%	1.4%
Hampton University	2	1	Armada Hoffler Tower	4/28/2023	629,935	2.6%	1.2%
Virginia Natural Gas	1	1	Virginia Natural Gas Headquarters	9/30/2025	568,230	2.3%	1.0%
Hankins & Anderson	1	1	Armada Hoffler Tower	4/30/2022	562,363	2.3%	1.0%
<b>Top 10 Total</b>					<b>\$15,119,627</b>	<b>62.2%</b>	<b>27.7%</b>

## Retail Portfolio

Tenant	Number of Leases	Number of Properties	Property(ies)	Lease Expiration	Weighted Annualized Base Rent	% of Retail Portfolio Annualized Base Rent	% of Total Portfolio Annualized Base Rent
Home Depot	2	2	Broad Creek Shopping Center, North Point Center	12/27/2019	\$2,032,600	10.0%	3.7%
Harris Teeter	2	2	Tyre Neck Harris Teeter, Hanbury Village	10/16/2028	1,430,001	7.0%	2.6%
Food Lion	3	3	Broad Creek Shopping Center, Bermuda Crossroads, Gainsborough Square	3/19/2020	1,282,568	6.3%	2.4%
Dick's Sporting Goods	1	1	Dick's at Town Center	1/31/2020	798,000	3.9%	1.5%
Regal Cinemas	1	1	Harrisonburg Regal	4/23/2019	683,550	3.4%	1.3%
Pet smart	2	2	Broad Creek Shopping Center, North Point Center	2/7/2016	618,704	3.0%	1.1%
Kroger	1	1	North Point Center	8/31/2018	552,864	2.7%	1.0%
Yard House	1	1	Commerce Street Retail	11/30/2023	538,000	2.6%	1.0%
Rite Aid	2	2	Gainsborough Square, Parkway Marketplace	5/29/2019	484,193	2.4%	0.9%
Walgreens	1	1	Hanbury Village	12/31/2083	447,564	2.2%	0.8%
<b>Top 10 Total</b>					<b>\$8,868,044</b>	<b>43.6%</b>	<b>16.3%</b>

# Office Lease Summary

In thousands, except per share

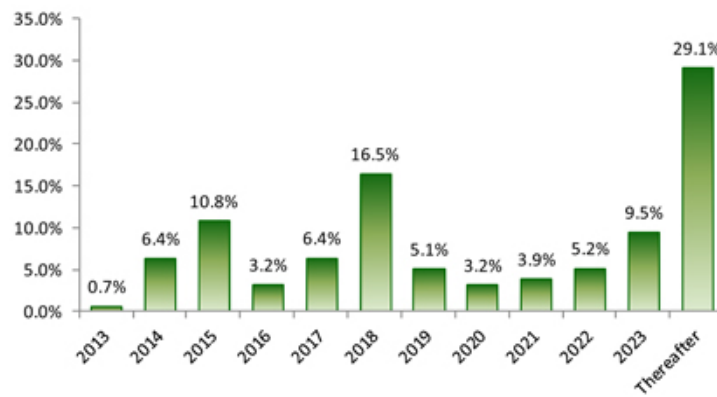
Renewal Lease Summary <sup>(1)</sup>			GAAP			Cash			Weighted Average Lease Term	TI, LC, & Incentives	TI, LC, & Incentives per SF
Quarter	Number of Leases Signed	Net rentable SF Signed	Contractual Rent per SF	Prior Rent per SF	Annual Change in Rent	Contractual Rent per SF	Prior Rent per SF	Annual Change in Rent			
3rd Quarter 2013	5	16,289	\$29.18	\$26.76	\$2.42	\$28.26	\$27.92	\$0.33	6.8	\$60,809	\$3.73
2nd Quarter 2013	6	29,725	22.86	23.14	(0.28)	21.81	24.20	(2.39)	5.7	481,389	16.19
Total	11	46,014			\$2.14			(\$2.05)		\$542,198	

New Lease Summary <sup>(1)</sup>			Contractual Rent per SF	Weighted Average Lease Term	TI, LC, & Incentives	TI, LC, & Incentives per SF
Quarter	Number of Leases Signed	Net rentable SF Signed				
3rd Quarter 2013	1	1,142	\$29.50	5.00	\$3,577	\$3.13
2nd Quarter 2013	2	4,046	26.77	5.00	165,628	\$40.94
Total	3	5,188			\$169,205	

(1) Excludes leases from space occupied by AHH

# Office Lease Expirations

Year of Lease Expiration	Number of Leases Expiring	Square Footage of Leases Expiring	% Portfolio Net Rentable Square Feet	Annualized Base Rent	% of Portfolio Annualized Base Rent	Annualized Base Rent per Leased Square Foot
Available	-	63,047	6.6%	-	-	-
2013	4	5,112	0.5%	158,608	0.7%	31.03
2014	14	59,226	6.2%	1,551,703	6.4%	26.20
2015	9	97,785	10.2%	2,636,714	10.8%	26.96
2016	10	33,481	3.5%	784,541	3.2%	23.43
2017	5	65,186	6.8%	1,566,263	6.4%	24.03
2018	15	150,853	15.8%	4,009,237	16.5%	26.58
2019	4	54,264	5.7%	1,239,364	5.1%	22.84
2020	3	25,283	2.6%	772,781	3.2%	30.57
2021	4	41,363	4.3%	946,624	3.9%	22.89
2022	3	48,117	5.0%	1,268,882	5.2%	26.37
2023	5	105,160	11.0%	2,310,230	9.5%	21.97
Thereafter	4	205,717	21.6%	7,080,688	29.1%	34.42
<b>Total / Weighted Average</b>	<b>80</b>	<b>954,594</b>	<b>100.0%</b>	<b>\$24,325,635</b>	<b>100.0%</b>	<b>\$27.28</b>



# Retail Lease Summary

In thousands, except per share

Renewal Lease Summary <sup>(1)</sup>			GAAP			Cash			Weighted Average Lease Term	TI, LC, & Incentives	TI, LC, & Incentives per SF
Quarter	Number of Leases Signed	Net rentable SF Signed	Contractual Rent per SF	Prior Rent per SF	Annual Change in Rent	Contractual Rent per SF	Prior Rent per SF	Annual Change in Rent			
3rd Quarter 2013	6	24,506	\$24.26	\$25.11	(\$0.85)	\$23.55	\$28.34	(\$4.79)	5.67	\$227,766	\$9.29
2nd Quarter 2013	6	26,345	17.02	17.40	(0.37)	16.50	18.03	(1.53)	4.12	-	-
Total	12	50,851			(\$1.22)			(\$6.32)		\$227,766	

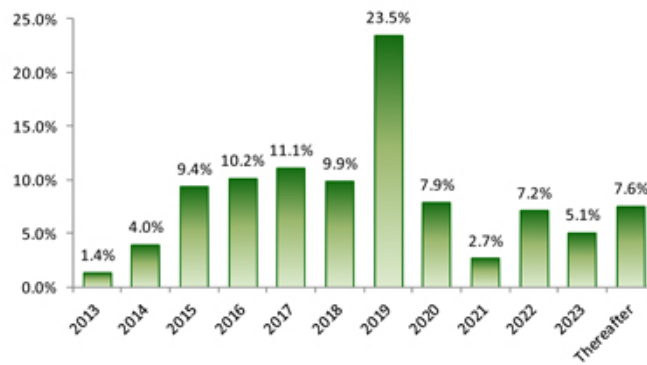
  

New Lease Summary <sup>(1)</sup>			Contractual Rent per Sq. Ft.	Weighted Average Lease Term	TI, LC, & Incentives	TI, LC, & Incentives per SF
Quarter	Number of Leases Signed	Net rentable Square Feet Signed				
3rd Quarter 2013	-	-	\$0.00	-	\$0	\$0.00
2nd Quarter 2013	6	20,037	11.59	5.34	433,101	\$21.62
Total	6	20,037			\$433,101	

(1) Excludes leases from space occupied by AHH

# Retail Lease Expiration

Year of Lease Expiration	Number of Leases Expiring	Square Footage of Leases Expiring	% Portfolio Net Rentable Square Feet	Annualized Base Rent	% of Portfolio Annualized Base Rent	Annualized Base Rent per Leased Square Foot
Available	-	70,263	6.4%	-	-	-
2013	9	13,098	1.2%	232,260	1.4%	17.73
2014	16	38,008	3.5%	678,450	4.0%	17.85
2015	18	89,178	8.2%	1,592,588	9.4%	17.86
2016	24	73,240	6.7%	1,730,127	10.2%	23.62
2017	19	135,545	12.4%	1,891,569	11.1%	13.96
2018	17	117,114	10.7%	1,679,899	9.9%	14.34
2019	14	283,635	25.9%	3,991,553	23.5%	14.07
2020	5	105,946	9.7%	1,343,863	7.9%	12.68
2021	3	15,068	1.4%	455,649	2.7%	30.24
2022	6	83,588	7.6%	1,214,794	7.2%	14.53
2023	5	27,625	2.5%	869,930	5.1%	31.49
Thereafter	5	41,011	3.8%	1,286,392	7.6%	31.37
<b>Total / Weighted Average</b>	<b>141</b>	<b>1,093,319</b>	<b>100.0%</b>	<b>\$16,967,075</b>	<b>100.0%</b>	<b>\$16.58</b>



# Historical Occupancy

Sector	Occupancy - All Properties as of			
	9/30/2013	6/30/2013	3/31/2013	12/31/2012
Office <sup>(1)</sup>	93.4%	93.4%	93.9%	94.1%
Retail <sup>(1)</sup>	93.6%	94.6%	93.9%	93.9%
Multifamily <sup>(2)</sup>	92.7%	91.2%	93.3%	94.9%
Weighted Average <sup>(3)</sup>	93.3%	93.5%	93.8%	94.2%

- (1) Office and retail occupancy based on occupied square feet as a % of respective total  
(2) Multifamily occupancy based on weighted average of total units  
(3) Total occupancy weighted by annualized base rent

# Multifamily Occupancy

## Occupancy Summary - Smiths Landing (284 available units)

Quarter Ended	Number of Units Occupied	Percentage Occupied <sup>(1)</sup>	Annualized Base Rent <sup>(2)</sup>	Average Monthly Rent per Occupied Unit <sup>(3)</sup>
9/30/2013	284	100.0%	\$3,427,980	\$1,006
6/30/2013	264	93.0%	3,163,164	998
3/31/2013	284	100.0%	3,395,184	996
12/31/2012	280	98.6%	3,353,280	998

## Occupancy Summary - The Cosmopolitan (342 available units)

Quarter Ended	Number of Units Occupied	Percentage Occupied <sup>(1)</sup>	Annualized Base Rent <sup>(2)(4)</sup>	Average Monthly Rent per Occupied Unit <sup>(3)</sup>
9/30/2013	296	86.5%	\$5,506,764	\$1,550
6/30/2013	307	89.9%	5,818,908	1,580
3/31/2013	300	87.7%	5,490,864	1,525
12/31/2012	314	91.8%	5,889,528	1,563

(1) Total units rented as of each respective quarter end date

(2) Annualized base rent is calculated by multiplying (a) contractual rental due under our tenants leases payments for each last month of the respective quarter by (b) 12

(3) Average Monthly Rent per Occupied unit is calculated as (a) annualized Based rent divided by (b) the number of occupied units as of the last month of each respective quarter end date.

(4) Excludes annualized base rent from retail leases

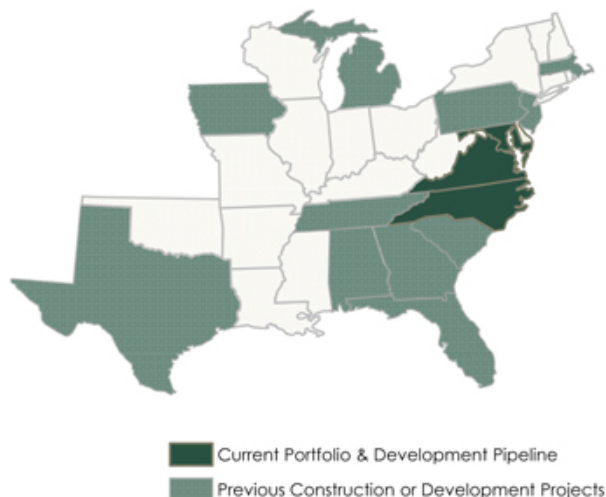


# APPENDIX - UNDERSTANDING AHH

# Understanding AHH - Corporate Overview

Armada Hoffer Properties, Inc. is a full-service real estate investment trust (REIT) and property company that develops, builds, owns and manages institutional grade office, retail and multifamily properties in the Mid-Atlantic U.S. The Company also provides general construction and development services to third-party clients throughout the Mid-Atlantic and Southeastern regions of the U.S. Armada Hoffer Properties was founded in 1979 and is headquartered in Virginia Beach, VA.

- Diversified portfolio consisting of Office, Retail and Multifamily properties
- Institutional grade portfolio focused on the Mid-Atlantic region
- 34 year corporate track record with senior leadership team averaging more than 20 years with the company
- Market Cap of ~\$320 million as of 9/30/13
- Management and previous partners own in excess of 40% of the company through operating partnership units in the limited partnership



# Understanding AHH - Differentiation Provides Value Creation

## 1. Advantages of Core Stabilized Portfolio:

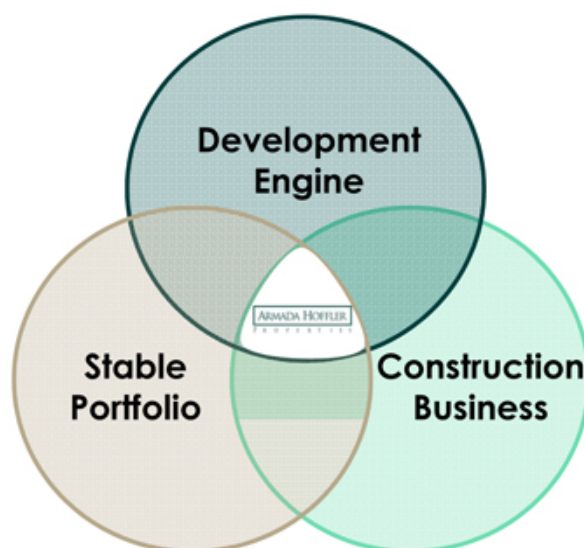
- Consistent cash flow
- High occupancy
- Stable same store metrics

## 2. Advantages of Wholesale Development Pipeline Engine:

- Equity creation
- Asset base growth

## 3. Advantages of Construction Company:

- Stable earnings and value creation
- Reduces risk in selecting/executing development opportunities
- Brand recognition in new markets



***Sum of the Parts Leads to Valuation***

# Business Segmentation Overview

	Definition	Characteristics	Valuation
<b>Stabilized Portfolio</b>	<ul style="list-style-type: none"> <li>Includes stabilized office, retail, and multifamily real estate (defined as the earlier of 80% occupancy or the 13<sup>th</sup> quarter after CO)</li> </ul>	<ul style="list-style-type: none"> <li>Consistent cash flow</li> <li>High occupancy</li> <li>Stable same store metrics</li> </ul>	<ul style="list-style-type: none"> <li>Traditional real estate valuation, NAV/Cap Rates</li> </ul>
<b>Development Pipeline</b>	<ul style="list-style-type: none"> <li>Real estate assets in development or ramping towards stabilization</li> </ul>	<ul style="list-style-type: none"> <li>Value creation</li> <li>Asset base growth</li> </ul>	<ul style="list-style-type: none"> <li>Equity Creation</li> </ul>
<b>Construction Business</b>	<ul style="list-style-type: none"> <li>3<sup>rd</sup> party construction business</li> </ul>	<ul style="list-style-type: none"> <li>Stable earnings and value creation</li> <li>Reduces risk in selecting/executing development opportunities</li> <li>Brand recognition in new markets</li> </ul>	<ul style="list-style-type: none"> <li>Multiples analysis</li> </ul>

# Components of NAV

Stabilized Portfolio NOI x Market Cap Rate = Stabilized Portfolio Value

+

Development Value Creation x Appropriate Discount Rate = Equity Value

+

Operating Company Income x Market Multiple = Operating Company Value

+

Other Assets

-

Liabilities

---

**NAV**

*See Pages 33-36 for Further Information Regarding the Components of NAV*

# 1) Understanding AHH - Stabilized Portfolio

(Reconciliation to GAAP located in appendix pg. 45)  
\$ in thousands

	Cash NOI	
	Three months ended 9/30/13	Annualized
<u>Diversified Portfolio</u>		
Office	\$2,079	\$8,316
Retail	3,030	12,120
Multifamily	546	2,184
Total Diversified Portfolio NOI	\$5,655	\$22,620
<u>Virginia Beach Town Center</u>		
Office <sup>(1)</sup>	\$2,152	\$8,608
Retail <sup>(1)</sup>	1,168	4,672
Multifamily	1,005	4,020
Total Virginia Beach Town Center NOI	\$4,325	\$17,300
Total Stabilized Portfolio NOI	\$9,980	\$39,920

(1) Includes Armada Hoffer leases which are eliminated for GAAP purposes totaling \$210,000

## 2) Understanding AHH - Identified & Next Generation Pipeline

\$ in thousands

Note: The data below reflects the Companies current estimates, which may change as a result of various factors. The Company can make no assurances that the estimates below will actually be realized.

	Estimated Cost	Estimated Stabilized NOI	Estimated Return on Cost	Projected Value Spread	The Companies Estimated Equity Creation	The Companies Est. Equity Creation Excluding JV Ownership
Identified Pipeline	\$142,000	\$11,700	8.24%	125bp	\$25,395	\$24,286
Next Generation Pipeline	150,000	12,400	8.27%	150bp	33,251	33,251
Liberty Apartments	31,900 <sup>(1)</sup>	2,060				
<b>Estimated Stabilized Value/Weighted Average</b>	<b>\$323,900</b>	<b>\$26,160</b>	<b>8.25%</b>		<b>\$58,647</b>	<b>\$57,537</b>

**Greater than \$55M in Equity Creation – 3 to 4 Years**

(1) Contractual price

### 3) Understanding AHH - 3<sup>rd</sup> Party Construction

\$ in thousands

Gross Profit - metric to use when evaluating the profitability and valuation of the general contracting & real estate services segment

#### **Gross Profit Summary**

	<u>3Q 2013</u> (Unaudited)	<u>Annualized</u>
Revenue	\$21,896	\$87,583
Expense	<u>(20,907)</u>	<u>(83,627)</u>
Gross Profit	\$989	\$3,956

***Construction Company - Ongoing Profitable Business with Intrinsic Value***



# 4) NAV Component Data

\$ in thousands

Stabilized Portfolio NOI (Cash)		Development Pipeline	
	Annualized three months ended		
	9/30/2013		
<b>Diversified Portfolio</b>			
Office	\$8,316	Development Investment as of 9/30/13	\$36,172
Retail	12,120	The Companies Estimated Equity Creation - 3-4 years (pg. 35)	58,647
Multifamily	2,184		<u>\$94,819</u>
Total Diversified Portfolio NOI (pg. 34)	<u>\$22,620</u>		
<b>Virginia Beach Town Center</b>			
Office <sup>(1)</sup>	\$8,608		
Retail <sup>(1)</sup>	4,672		
Multifamily	4,020		
Total Virginia Beach Town Center NOI (pg. 34)	<u>\$17,300</u>		
Stabilized Portfolio NOI (Cash)	<u>\$39,920</u>		
Other Assets		Operating Companies	
	As of 9/30/2013		Annualized
			9/30/2013
<b>Other Assets</b>			
Cash and Cash Equivalents	\$9,775	General Contracting and Real Estate Services (pg. 36)	\$3,956
Restricted Cash	2,966		
Accounts Receivable	17,846		
Other Assets	23,199		
Total Other Assets	<u>\$53,786</u>		
		Liabilities & Share Count	
	As of 9/30/2013		As of 9/30/2013
<b>Liabilities</b>			
Mortgages and notes payable	\$247,356		
Accounts payable and accrued liabilities	6,970		
Other Liabilities	16,142		
Total Liabilities	<u>\$270,468</u>		
<b>Share Count</b>			
Total Common Shares Outstanding	19,164		
Operating Partnership ("OP") Units Outstanding	13,059		
Common Shares and OP Units Outstanding	<u>32,223</u>		

(1) Includes Armada Hoffer leases which are eliminated for GAAP purposes totaling \$210,000

# APPENDIX – DEFINITIONS & RECONCILIATIONS

# Definitions

## Net Operating Income:

We calculate Net Operating Income ("NOI") as property revenues (base rent, expense reimbursements and other revenue) less property expenses (rental expenses and real estate taxes). For our office, retail and multifamily segments, NOI excludes general contracting and real estate services expenses, depreciation and amortization, general and administrative expenses, and impairment charges. Other REITs may use different methodologies for calculating NOI, and accordingly, our NOI may not be comparable to such other REITs' NOI. NOI is not a measure of operating income or cash flows from operating activities as measured by GAAP and is not indicative of cash available to fund cash needs. As a result, net operating income should not be considered an alternative to cash flows as a measure of liquidity. We consider NOI to be an appropriate supplemental measure to net income because it assists both investors and management in understanding the core operations of our real estate business.

## Funds From Operations:

We calculate Funds From Operations ("FFO") in accordance with the standards established by the National Association of Real Estate Investment Trusts ("NAREIT"). NAREIT defines FFO as net income (loss) (calculated in accordance with accounting principles generally accepted in the United States ("GAAP")), excluding gains (or losses) from sales of depreciable operating property, real estate related depreciation and amortization (excluding amortization of deferred financing costs) and after adjustments for unconsolidated partnerships and joint ventures.

FFO is a supplemental non-GAAP financial measure. Management uses FFO as a supplemental performance measure because it believes that FFO is beneficial to investors as a starting point in measuring our operational performance. Specifically, in excluding real estate related depreciation and amortization and gains and losses from property dispositions, which do not relate to or are not indicative of operating performance, FFO provides a performance measure that, when compared year over year, captures trends in occupancy rates, rental rates and operating costs. Other equity REITs may not calculate FFO in accordance with the NAREIT definition as we do, and, accordingly, our FFO may not be comparable to such other REITs' FFO.

# Definitions

## **Core Funds From Operations:**

We calculate Core Funds From Operations ("Core FFO") as FFO calculated in accordance with the standards established by NAREIT, adjusted for losses on debt extinguishments, non-cash stock compensation and impairment charges. Such items are non-recurring or non-cash in nature. Our calculation of Core FFO also excludes acquisition costs and the impact of development pipeline projects that are still in lease-up. We generally consider a property to be in lease-up until the earlier of (i) the quarter after which the property reaches 80% occupancy or (ii) the thirteenth quarter after the property receives its certificate of occupancy.

Management believes that the computation of FFO in accordance to NAREIT's definition includes certain items that are not indicative of the results provided by the Company's operating portfolio and affect the comparability of the Company's period-over-period performance. Our calculation of Core FFO differs from NAREIT's definition of FFO. Other equity REITs may not calculate Core FFO in the same manner as us, and, accordingly, our Core FFO may not be comparable to other REITs' Core FFO.

## **Core Adjusted Funds From Operations:**

We calculate Core Adjusted Funds From Operations ("Core AFFO") as Core FFO, (i) excluding the impact of tenant improvement and leasing commission costs, capital expenditures, the amortization of deferred financing fees, derivative (income) loss, the net effect of straight-line rents and the amortization of lease incentives and net above (below) market rents and (ii) adding back the impact of development pipeline projects that are still in lease-up and government development grants that are not included in FFO.

Management believes that Core AFFO provides useful supplemental information to investors regarding our operating performance as it provides a consistent comparison of our operating performance across time periods and allows investors to more easily compare our operating results with other REITs. However, other REITs may use different methodologies for calculating Core AFFO or similarly entitled FFO measures and, accordingly, our Core AFFO may not always be comparable to Core AFFO or other similarly entitled FFO measures of other REITs.

# Definitions

**EBITDA:**

We calculate EBITDA as net income (loss) (calculated in accordance with GAAP), excluding interest expense, income taxes and depreciation and amortization. Management believes EBITDA is useful to investors in evaluating and facilitating comparisons of our operating performance between periods and between REITs by removing the impact of our capital structure (primarily interest expense) and asset base (primarily depreciation and amortization) from our operating results.

**Core EBITDA:**

We calculate Core EBITDA as EBITDA, excluding certain items, including, but not limited to, non-recurring or extraordinary gains (losses), early extinguishment of debt, derivative (income) losses, acquisition costs and the impact of development pipeline projects that are still in lease-up. We generally consider a property to be in lease-up until the earlier of (i) the quarter after which the property reaches 80% occupancy or (ii) the thirteenth quarter after the property receives its certificate of occupancy. Management believes that Core EBITDA provides useful supplemental information to investors regarding our ongoing operating performance as it provides a consistent comparison of our operating performance across time periods and allows investors to more easily compare our operating results with other REITs. However, other REITs may use different methodologies for calculating Core EBITDA or similarly entitled measures and, accordingly, our Core EBITDA may not always be comparable to Core EBITDA or other similarly entitled measures of other REITs.

**Core Debt:**

We calculate Core Debt as our total debt, excluding any construction loans associated with our development pipeline.

**Same Store Portfolio:**

We define same store properties as including those properties that were owned and operated for the entirety of the period being presented and excluding properties that were in lease-up during the period present. We generally consider a property to be in lease-up until the earlier of (i) the quarter after which the property reaches 80% occupancy or (ii) the thirteenth quarter after the property receives its certificate of occupancy. The following table shows the properties included in the same store and non-same store portfolio for the comparative periods presented.

# Definitions

	Comparison of Three Months Ended September 30, 2013 to 2012		Comparison of Nine Months Ended September 30, 2013 to 2012	
	Same Store	Non-Same Store	Same Store	Non-Same Store
<b>Office Properties</b>				
Armada Hoffer Tower	X		X	
One Columbus	X		X	
Two Columbus	X		X	
Virginia Natural Gas	X		X	
Richmond Tower	X		X	
Oyster Point	X		X	
Sentara Williamsburg	X		X	
<b>Retail Properties</b>				
Bermuda Crossroads		X		X
Broad Creek Shopping Center	X		X	
Courthouse 7-Eleven	X		X	
Gainsborough Square	X		X	
Hanbury Village	X		X	
North Point Center	X		X	
Parkway Marketplace	X		X	
Harrisonburg Regal	X		X	
Dick's at Town Center	X		X	
249 Central Park Retail	X		X	
Studio 56 Retail	X		X	
Commerce Street Retail	X		X	
Fountain Plaza Retail	X		X	
South Retail	X		X	
Tyre Neck Harris Teeter	X			X
<b>Multifamily</b>				
Smith's Landing		X		X
The Cosmopolitan	X		X	

# Reconciliation to GAAP - Segment Portfolio NOI

\$ in thousands

	Three months ended 9/30		Nine months ended 9/30	
	2013	2012	2013	2012
<b>Office Same Store</b>				
Rental revenues <sup>(1)</sup>	\$6,364	\$6,194	\$19,270	\$19,153
Property expenses	2,081	2,271	5,968	5,921
NOI	4,283	3,923	13,302	13,232
Non-Same Store NOI	-	-	-	-
Segment NOI	\$4,283	\$3,923	\$13,302	\$13,232
<b>Retail Same Store<sup>(2)</sup></b>				
Rental revenues	\$5,162	\$5,297	\$14,867	\$15,345
Property expenses	1,643	1,618	4,695	4,520
NOI	3,519	3,679	10,172	10,825
Non-Same Store NOI	419	-	845	135
Segment NOI	\$3,938	\$3,679	\$11,017	\$10,960
<b>Multifamily Same Store<sup>(3)</sup></b>				
Rental revenues	\$1,874	\$1,827	\$5,684	\$5,577
Property expenses	868	946	2,558	2,453
NOI	1,006	881	3,126	3,124
Non-Same Store NOI	515	-	837	-
Segment NOI	\$1,521	\$881	\$3,963	\$3,124
<b>Total Segment Portfolio NOI</b>	<b>\$9,742</b>	<b>\$8,483</b>	<b>\$28,282</b>	<b>\$27,316</b>

(1) No assets excluded

(2) Bermuda Crossroads and Tyre Neck Harris Teeter excluded

(3) Smith's Landing excluded

# Reconciliation to GAAP - Segment Portfolio NOI

\$ in thousands

	Three months ended 9/30/13			
	Office	Retail	Multifamily	Total
<u>Diversified Portfolio</u>				
Cash NOI	\$2,079	\$3,030	\$546	\$5,655
Net effect of straight-line rents	267	(54)	-	213
Amortization of lease incentives and (above) below market rents	(14)	38	(25)	(1)
GAAP NOI	\$2,332	\$3,014	\$521	\$5,867
<u>Town Center of Virginia Beach</u>				
Cash NOI	\$2,152	\$1,168	\$1,006	\$4,326
Net effect of straight-line rents	(36)	(34)	(6)	(76)
Amortization of lease incentives and (above) below market rents	(33)	(132)	-	(165)
Elimination of AHH rent	(132)	(78)	-	(210)
GAAP NOI	\$1,951	\$924	\$1,000	\$3,875
<u>GAAP NOI</u>				
Diversified Portfolio	\$2,332	\$3,014	\$521	\$5,867
Town Center of Virginia Beach	1,951	924	1,000	3,875
<b>Total Segment Portfolio NOI</b>	<b>\$4,283</b>	<b>\$3,938</b>	<b>\$1,521</b>	<b>\$9,742</b>